BC Buildings Corporation

Strategic Plan

for the period **2001–2003**
with an outlook for **2003–2004**

Performance Plan 2001–2004

***(Budget Transparency and Accountability Act** terminology)*

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Letter from the President

Dennis F. Truss
President and
Chief Executive Officer

British Columbia Buildings Corporation's (BCBC) last Strategic Plan covered the period from fiscal year 1996/97 through to and including 1999/00. The dominant theme of that plan was *cost minimization* with the key objective being to reduce the cost of government accommodation. Ambitious cost reduction targets were established and exceeded substantially. The Corporation was able to accomplish this through the aggressive management of space and assets within its portfolio; containment of infrastructure costs; implementation of reduced office space standards; and, effective management of the Corporation's operations. Further savings were realized through the implementation of innovative workplace solutions that focused on customer collocation, new officing concepts and space consolidation and rationalization. During this period, the Corporation upgraded its information technology infrastructure and core business systems, undertook significant organizational changes to enhance regional and community service delivery to its customers, and revamped many of its Human Resource functions to enhance linkages between its business and people strategies. In addition, the Corporation took a new approach to strategic real estate and accommodation planning at the community level through piloting integrated accommodation planning. Great strides have been made in all these endeavours, and the Corporation is now positioned to realize and share the benefits of this work with its customers, shareholder and employees.

During the period 1996–2000, the Corporation also sought to expand its services to the broader public sector and, in 1997, its legislation was expanded to allow it to provide services to the broader public sector within British Columbia. Additional non-ministry revenue was generated from regional health boards and community health services societies, other Crown corporations, school districts, municipal governments and several federal government customers.

Building on the accomplishments and foundations established through the last plan, BCBC developed and implemented its 2000–03 Strategic Plan last year. The Corporation is now proceeding with year two of the plan. This document presents a revised version of this current plan. In addition to some minor fine tuning, BCBC has extended the plan to include 2003–2004 in keeping with the new *Budget Transparency and Accountability Act* (BTAA) which requires all government agencies to publish annual three-year plans.

As with the 1996–2000 plan, efforts to reduce the cost of government accommodation continue in the new plan. The principal focus of the new plan, however, is on maximizing value to our customers and to our shareholder. This focus is embedded in our Vision and five strategic objectives. Over the next three years, we will continue to concentrate our energies and resources on achieving our new Vision which is:

> *To be vital to our customers' success by creating flexible and affordable workplace environments that respond to their changing world of work.*
>
> *To be indispensable to our shareholder through our innovative stewardship of public real estate assets.*
>
> *As a result, we will earn respect and recognition as leaders in providing* "BEST SOLUTIONS *for* BEST VALUE."

The introduction of our new vision last year signaled key corporate changes. Our scope was broadened beyond just providing building solutions to that of creating workplace environments that support the needs of our customers. This approach requires us to have an in-depth understanding of our customers' business, their plans for the future and the pressures and challenges they face. Building strong and enduring relationships with our customers is a fundamental premise of the new vision.

We will continue to contribute to the success of our customers by providing, with increased efficiency, quality accommodation solutions and real estate products and services. We are developing more flexible service delivery options in the communities that our customers serve. Portfolio planning will continue to be enhanced by strengthening and integrating both community and regional planning.

We are committed to partnering with our customers to ensure their success. Over the course of this plan, we will provide our customers with greater electronic access to information to enhance their decision-making and with the capability to enter service request transactions.

Corporate decision-making that considers social, economic and environmental factors will ensure that wise stewardship of the real estate assets entrusted to us will continue. We will also create innovative workplace solutions that place greater emphasis on collocation, recycling and cost-reduction initiatives. We will continue to ensure that real estate and accommodation solutions presented to our customers are cost effective, affordable and represent good value to our shareholder and the taxpayers of British Columbia.

Building on our excellent reputation for energy and environmental management, BCBC achieved ISO 14001 certification in January 2001 and developed a new Environmental Stewardship Plan which establishes challenging targets for environmental performance. BCBC has assumed a leadership role with respect to reducing greenhouse gas (GHG) emissions from buildings in accordance with the Kyoto Protocol. Through the Green Building BC Retrofit and New Buildings Programs, the application of a more integrated approach to design, and the adoption of best practices, we continue to improve the indoor environment for workers, save taxpayers money and help protect our environment for future generations.

Ultimately, our success in the continued implementation of this plan is dependent upon our employees; we are committed to providing a work environment in which our employees can succeed by being involved in decision-making and have the information, skills and support to meet rapidly changing business needs and respond effectively to our customers.

Key performance measurements have been included in the Plan, and will continue to be closely monitored and refined over the next three years to ensure that we maintain focus and momentum towards achieving our vision.

Dennis F. Truss
President and
Chief Executive Officer

Enduring Purpose

The enduring purpose is the essence of the Corporation's vision, mission and core values. It is lived on a daily basis across the organization.

"Best Solutions *for* Best Value"

Vision

Our vision statement describes a compelling future state that we believe is both ambitious and attainable.

We will be vital to our customers' success by creating flexible and affordable workplace environments that respond to their changing world of work.

We will be indispensable to our shareholder through our innovative stewardship of public real estate assets.

As a result, we will earn respect and recognition as leaders in providing "Best Solutions *for* Best Value."

Mission

Our mission describes the purpose towards which we, as employees, commit our work life. The mission describes the business we are in, why we exist, what we produce and who we serve.

We are a Crown corporation with a community presence throughout British Columbia.

Our mission is to support effective service delivery of government ministries, agencies of the Crown and other publicly funded organizations by:

- **efficiently planning, providing and managing accommodation and real estate solutions;**
- **providing responsible stewardship of the assets and resources entrusted to us; and**
- **contributing to the sustainability of communities and our environment.**

Our mission is achieved by our diverse and motivated team of highly skilled employees.

Corporate Positioning

Corporate positioning describes what situates us uniquely in our business environment that causes our customers to want to do business with us. It begins with and builds on our enduring purpose.

"Best Solutions *for* Best Value"

By Best Solutions we mean contemporary and sustainable products and services that are bundled to best meet the requirements of our customers, the communities they serve, and the interests of governments.

We view Best Value from both the customer's and taxpayer's perspective.

By Best Value we mean providing our customers a full range of cost-effective quality products and services at prices that, when bundled, provide better overall value than the competition.

We are responsive and focused on our customers' success, building lasting relationships and serving all of our customers as if they have choice.

Core Values

These values represent our corporate and individual behaviours and define how we will treat our customers, suppliers and each other.

- We treat all individuals with fairness, dignity and respect.
- We are open and honest and demonstrate integrity in everything we do.
- We work to know our customers and treat them as partners.
- We make and keep our commitments – get the job done!
- We are flexible, innovative and proactive.
- We work with our customers to bring value to our shareholder and the taxpayer.
- We support one another to achieve corporate goals.
- We measure and monitor our performance to established targets.
- We support and develop our people to achieve our corporate and individual potential.
- We are socially and environmentally responsible in our business operations.

Key Assumptions

A summary of our environmental and corporate assessment is contained in the appendix to this document. Key challenges and assumptions were derived from this assessment.

The following are the assumptions around which this plan was developed:

- technology will change how ministries are structured to deliver their programs and will result in fewer people working in traditional office spaces over time;
- capital constraint and debt management initiatives will be ongoing throughout the planning horizon;
- the Corporation and its customers will work together to devise and implement cost reduction and cost avoidance initiatives in keeping with the Protocol Agreement and other initiatives of government;
- the Accommodation Agreement between the Corporation and its ministry customers will remain in effect;
- alternative financing policies/guidelines will be such that alternative delivery options will be feasible;
- the regionalization of health care and other government programs will be ongoing;
- BCBC's legislation will remain intact; and
- current accountabilities for accommodation and real estate decisions will be retained and BCBC will continue to work with the broader public sector.

The key challenges are as follows:

Governance

The challenge for BCBC is to maintain its existing clients and meet their needs as governance models in the public sector continue to evolve. Another key challenge will be to ensure the relevancy of the Crown corporation model, mandate and supporting governance structure of BCBC so that the Corporation continues to provide the best approach to effectively managing the accommodation and real estate needs of the provincial government and other public-sector organizations.

Service Delivery Model

A key challenge for BCBC is to ensure that it continues to have in place effective service delivery structures and supporting business processes. To do so, the Corporation needs to address its diversifying public sector customer base; customer demands for timely, quality and affordable products and services; population-driven demands for services and infrastructure in rural areas; and the impacts of information technology and electronic business on corporate information, products and services.

Socio-economic and Economic Conditions

The Corporation must be able to address, in consultation with its customers, the shifting priorities of government to meet the needs of an aging population. Consistent with the Corporation's expanded mandate, we must become more knowledgeable and more actively involved in non-traditional program areas, such as long-term care and mental health. The Corporation will also be challenged to find solutions and alternative delivery strategies, including public/private partnerships and alliances with other levels of government and the private sector to address continued capital funding constraints, continued high levels of provincial debt, and an under-performing provincial economy.

Stewardship

Continued careful management of the resources entrusted to us presents the Corporation with the greatest opportunities to optimize the value of the portfolio on behalf of the shareholder and current and future generations of British Columbians. We are uniquely positioned, between the public and private sectors, to ensure that market efficiencies and public policy values are applied in our resource management decisions. A key challenge for the Corporation will be to continue to effectively plan the provincial government's real estate and accommodation presence throughout the communities of British Columbia. To do so will require that the Corporation adjust its planning processes to enhance participation of communities and the general public, by ensuring that the emerging needs of communities, other levels of governments within these communities, and environmental considerations are incorporated.

A second challenge will be to continue to demonstrate to the shareholder the cost effectiveness and added value of the provincial government continuing to own core real estate assets.

A third challenge will be for the Corporation to proactively manage environmental issues. Our position as the stewards of the single largest portfolio of buildings in the province has already made us the most efficient manager of energy costs and greenhouse gas emissions. Contributing to the province's commitments to the Kyoto Protocol will be an added challenge.

Human Resources

Our most vital resource is our people and our greatest challenge is to increase our overall corporate performance by continuing to maximize the performance of our people and to strengthen the linkages between our human resource strategies and our business strategies. Key challenges facing the Corporation centre on building the core business, customer relationship and leadership/management competencies of our employees to meet the changing needs of our customers. Putting in place appropriate strategies to support our employees' efforts and individual development needs, and to recognize performance will be critical to both corporate and employee successes. Another key challenge facing the Corporation is our aging workforce. Carefully planned recruitment, mentoring and retention strategies will be essential to mitigate the loss of knowledge, experience and expertise that accompanies the retirement of long-term employees.

Technology

Technology is having a major impact on the manner in which the public sector delivers services, and on the workplace environments that support such service delivery. As individuals become more proficient with Internet technology and public expectations for greater responsiveness increase, the traditional ways of doing business will be replaced to a large extent by electronic business. The Internet is poised to become the most effective way to deliver many public services to an increasingly sophisticated and growing population. In order to further enhance its ability to deliver accommodation services effectively, BCBC will increasingly need to employ technology to improve cycle time; provide greater customer access to BCBC information, products and services; and proactively help its customers integrate technology into workplace solutions.

Corporate Strategic Objectives

To respond to the challenges ahead, the Corporation has identified five strategic objectives which will be fully addressed in the next three years. Maximizing value to our customers and shareholder will result from the implementation of this strategic plan.

Objective 1 — Customer Success

Provide best value solutions and service delivery which contribute to our customers' success.

By focusing on the success of our customers and the priorities of government, we will develop flexible, affordable and creative workplace solutions which will reduce costs. We will improve the delivery of our services and enhance our customer relationship management strategies with the overall goal of improving customer and shareholder satisfaction.

Objective 2 — Strengthening Our Foundation

Continuously review and improve the BCBC model and the way we do business to optimize corporate performance.

To ensure the efficient and effective delivery of our services, we will improve our internal processes to meet or exceed best-practice productivity standards. We will also ensure that the BCBC model (our mandate, mission and structure) continues to be the appropriate governance model to meet the real estate and accommodation needs of the province.

Objective 3 — High-Performance Culture

Foster a high-performance culture to ensure corporate, team and individual success.

Recognizing that our continued success is dependent on the excellent performance of our employees, several corporate-wide, people-related initiatives are underway and will continue during the time frame of this plan. We will invest in our people so that they continue to acquire the competencies and leadership/management skills required to support the business. We will ensure that there is alignment between employee performance goals, individual learning plans, recognition, and the Corporation's strategic objectives.

Objective 4 — Innovative Stewardship

Provide innovative stewardship of public real estate assets, while contributing to the economic, social, and environmental sustainability of communities.

We will add value to the shareholder by taking a leadership role in effectively and efficiently managing the real estate portfolio entrusted to us. We will contribute to the well-being of communities across BC by making decisions that balance economic, social and environmental impacts.

We will use integrated design to deliver high-performance buildings that minimize life cycle costs. We will apply the principles of sustainability throughout our business.

Objective 5 — Business Development

Extend our business where it improves the efficiency and effectiveness of the public sector.

We will provide our real estate and accommodation expertise to the broader public sector by seeking alternatives that promote more accountable and cost-effective service delivery. We will capitalize on opportunities available to BCBC and its public sector customers to rationalize inventory, eliminate duplication and overlap among agencies, facilitate collocation, maximize use of affordable, innovative workplace solutions, and bring economies of scale and scope to the management of many properties and facilities.

Corporate Goals, Strategies and Performance Measures

For each of our strategic objectives we have identified goals to be achieved over the next three years. The five Strategic Objectives state the broad intended results of the Strategic Plan, while the Goals translate these objectives into more specific desired outputs and outcomes. For the purposes of performance tracking, each year these goals and targets are annualized and performance results are reported in the Annual Report. Strategies have been developed to achieve these goals.

This section is organized in the following way:

Corporate Goals and Strategies 2001–03

These were stated in our original three-year Strategic Plan (2000–03); they have been reviewed and slight revisions have been made.

Corporate Goals and Strategies 2003–04

To meet the BTAA requirement of publishing an annual three-year plan we have extended our planning horizon to 2003–04.

Performance Measures 2001–02

Our 2001–02 Annual Report will document progress against the annualized performance measures and targets presented in this section.

Corporate Goals and Strategies 2001–2003

Objective 1 — Customer Success

Provide best value solutions and service delivery which contribute to our customers' success.

Goals

1.1 Increase the survey ratings of overall customer satisfaction by 15% to 78% by 2003 and the rating for responsiveness (baseline and target to be established).

1.2 Retain a minimum of 95% of all ministry and non-ministry business for each year of the plan, net of government-directed program restructuring or cost reduction measures.

1.3 Achieve at least 90% of outcome commitments as stated in customer account plans.

1.4 Achieve annual cost savings to customers by March 31, 2003 totaling $4 million, through initiatives resulting from business expansion with ministries and/or other public sector agencies, and implementation of innovative solutions.

To achieve this objective, we will work with our customers to assist them, where possible, to improve their service delivery to the public. The growing expectation for government to provide seamless, integrated services without multiple points of contact will require integrated accommodation and technological solutions.

Corporate Goals, Strategies and Performance Measures

For each of our strategic objectives we have identified goals to be achieved over the next three years. The five Strategic Objectives state the broad intended results of the Strategic Plan, while the Goals translate these objectives into more specific desired outputs and outcomes. For the purposes of performance tracking, each year these goals and targets are annualized and performance results are reported in the Annual Report. Strategies have been developed to achieve these goals.

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Corporate Goals and Strategies 2001–03

These were stated in our original three-year Strategic Plan (2000–03); they have been reviewed and slight revisions have been made.

Corporate Goals and Strategies 2003–04

To meet the BTAA requirement of publishing an annual three-year plan we have extended our planning horizon to 2003–04.

Performance Measures 2001–02

Our 2001–02 Annual Report will document progress against the annualized performance measures and targets presented in this section.

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Objective 1 — Customer Success

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To achieve this objective, we will work with our customers to assist them, where possible, to improve their service delivery to the public. The growing expectation for government to provide seamless, integrated services without multiple points of contact will require integrated accommodation and technological solutions.

Strategies

1. **Develop and implement a customer relationship management framework that focuses on improved responsiveness and flexibility (including account management, complaint management, customer research and communications).**

   Our objective is to become a more customer-focused organization. We are refining our account management system to better serve our most strategic customers, to more effectively manage customer communication and to respond to customer feedback. Service standards will be developed and monitored for appropriate response times to requests.

2. **Support major government and customer priorities by identifying and pursuing opportunities where BCBC can assist in improving program delivery and reducing costs.**

   We will seek opportunities to provide our real estate and accommodations expertise to assist government and individual ministries to address their service delivery priorities and cost efficiency pressures. A key priority will be to provide services to the Ministry of Health and Health Authorities to support the delivery of health care throughout the province

3. **Implement the community service delivery model to better serve our customers.**

   In response to the increasing decentralization of customer decision-making, we are implementing a community-based service delivery model. By adding new functional and technical expertise to our district office structures and by improving our service delivery processes, we will increase our responsiveness, enhance customer relations and improve the cost effectiveness of our service delivery. This model will also position us to respond, consistent with our legislation, to new public sector business opportunities throughout the province.

4. **Develop integrated, innovative solutions and processes to contribute to customer effectiveness and/or reduce total costs.**

   We will utilize technology to develop innovative solutions in workplace design and encourage integrated multi-tenant use and sharing of space to increase the overall utilization rate. The Integrated Accommodation Planning pilot project in Nanaimo demonstrated that significant savings can be achieved as a result of inter-agency consultative planning.

5. **Develop and implement a comprehensive customer satisfaction measurement framework to continuously identify areas for improvement.**

   To ensure that we continue to become more customer-focused, we will gather feedback and conduct ongoing evaluations of our customers' perceptions of our responsiveness, service, cost, quality and provision of choices. We will seek to better understand our customers' business and will follow through with appropriate actions to address their concerns. The results of customer satisfaction surveys clearly indicate what the customers see as our strengths and our weaknesses. As a result of this feedback, a major thrust will be to improve our responsiveness and flexibility.

Objective 2 — Strengthening Our Foundation

Continuously review and improve the BCBC model and the way we do business to optimize corporate performance.

Goals

2.1 Perform annually at least one core process review and reduce cost of operations and cycle time by at least 15%.

2.2 Meet internal targets for general and administrative costs based on external benchmark comparisons and BCBC business activity.

2.3 Maintain the ratio of area managed per employee at the 1999/00 level.

2.4 Ensure that operating and maintenance costs per square metre for owned buildings are comparable with or better than other jurisdictions and the private sector.

2.5 Meet contribution margin targets for each of our core services once baselines are established for each service.

To achieve this objective, we will examine the way we do business with the intent to continuously improve our service delivery. More specifically, we will fully address the following strategies.

Strategies

1. **Review and improve our business practices, systems, and processes to enhance our competitiveness and better respond to customer, shareholder and employee needs.**

   A primary finding of the BCBC customer quality research conducted in 1999 was that our customers want improved internal systems and processes so that BCBC front-line staff can be more responsive and that BCBC can provide error-free invoicing, documentation and easy-to-read statements of accounts. The key corporate business processes were defined early in 2000/01; these processes will be improved to reduce cycle time and improve customer service. More and more of our work processes are being automated and customers want electronic interfaces with their business partners. Continuing to improve our customers' electronic access to BCBC information will be a priority.

2. **Review and improve the BCBC business model to ensure best value to our shareholder.**

   The BCBC model is derived from the mandate, mission and structure of BCBC as a Crown corporation. We will review and revise this model by benchmarking mandates and organizational service delivery models of similar organizations to ensure that maximum value to the shareholder is realized. The issue of continued ownership of real estate will also be evaluated.

3. **Link corporate, team and individual performance accountabilities to the needs of our customers and shareholder.**

   Within the context of continuous improvement, we will strengthen the structure of accountabilities within the Corporation and ensure they are aligned to the needs of our customers at the corporate, team, and individual level.

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   In response to the increasing decentralization of customer decision-making, we are implementing a community-based service delivery model. By adding new functional and technical expertise to our district office structures and by improving our service delivery processes, we will increase our responsiveness, enhance customer relations and improve the cost effectiveness of our service delivery. This model will also position us to respond, consistent with our legislation, to new public sector business opportunities throughout the province.

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2.5 Meet contribution margin targets for each of our core services once baselines are established for each service.

To achieve this objective, we will examine the way we do business with the intent to continuously improve our service delivery. More specifically, we will fully address the following strategies.

Strategies

1. **Review and improve our business practices, systems, and processes to enhance our competitiveness and better respond to customer, shareholder and employee needs.**

   A primary finding of the BCBC customer quality research conducted in 1999 was that our customers want improved internal systems and processes so that BCBC front-line staff can be more responsive and that BCBC can provide error-free invoicing, documentation and easy-to-read statements of accounts. The key corporate business processes were defined early in 2000/01; these processes will be improved to reduce cycle time and improve customer service. More and more of our work processes are being automated and customers want electronic interfaces with their business partners. Continuing to improve our customers' electronic access to BCBC information will be a priority.

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   The BCBC model is derived from the mandate, mission and structure of BCBC as a Crown corporation. We will review and revise this model by benchmarking mandates and organizational service delivery models of similar organizations to ensure that maximum value to the shareholder is realized. The issue of continued ownership of real estate will also be evaluated.

3. **Link corporate, team and individual performance accountabilities to the needs of our customers and shareholder.**

   Within the context of continuous improvement, we will strengthen the structure of accountabilities within the Corporation and ensure they are aligned to the needs of our customers at the corporate, team, and individual level.

Strategies

4. **Strengthen our shareholder relationship to ensure we are responsive to their needs and priorities.**

   Our challenge is to support and respond to the government's initiatives and priorities, while providing our best advice to the government of the day, and without compromising our enduring purpose and values. Continuing to network with all levels of government, particularly at the senior management levels, is critical to our success.

Objective 3 High-Performance Culture

Foster a high-performance culture to ensure individual, team and corporate success.

Goals

3.1 **Increase the rating of "overall satisfaction" on the bi-annual employee satisfaction survey to 66% by March 31, 2003.**

3.2 **Implement the Corporation's new Performance Development Process in 100% of all work groups by March 31, 2003.**

3.3 **Increase rating to 85% by March 31, 2003 (benchmark and target to be established) for understanding of our Corporate Values and perception of practicing our values.**

3.4 **Increase the Corporation's performance on initiatives including wellness, multiculturalism, diversity, and providing employment opportunities for youth.**

To achieve this objective, we will continue to focus on linking our business strategies with our people strategies.

Strategies

1. **Align team and individual performance and learning goals with our strategic objectives and core values through our performance development process.**

   In 1998/99, we designed and implemented the first phase of a new performance development process. This process continues to be implemented in a multi-phased approach; by 2003, it will be used by all employees.

2. **Recognize and reward contributions of teams and individuals in achieving our strategic objectives and living our values.**

   A strategic recognition framework has been developed and will, in conjunction with the performance development process, be fully implemented by 2003.

3. **Develop and implement human resource planning and recruitment strategies to ensure that the Corporation has an appropriately skilled and diverse workforce to support its business priorities.**

   Like the rest of the public sector, BCBC's aging workforce will result in increased retirements over the next three years and thereafter. This presents both an opportunity and a challenge for BCBC. We will work to ensure that we attract and retain employees with both the talent and diversity of perspective required to serve our customers and the communities they serve and to proactively respond to their changing world of work.

Strategies

4. **Increase BCBC leadership and management capabilities to foster effective teamwork, communication and change management across the Corporation.**

   The Corporation is experiencing tremendous change as it positions itself to serve an increasingly diverse customer group with unique pressures and requirements. Leadership and management skills are critical to bring together teams from across the organization to create innovative solutions to meet the needs of our growing and diverse customer base.

5. **Develop and/or acquire the critical competencies to support the achievement of our strategic objectives and encourage employee flexibility, innovation and continuous learning.**

   The Corporation has recently identified the knowledge, skills, and behaviours that contribute to successful job performance and business outcomes, support our core values, and respond to the changing needs of the organization. BCBC will align its training and development activities with the identified competencies and create innovative learning and development programs and opportunities to support both business and personal success.

Objective 4 — Innovative Stewardship

Provide innovative stewardship of public real estate assets, while contributing to the economic, social and environmental sustainability of communities.

Goals

4.1 Increase the return on investment (ROI) for owned market-comparable properties (1999/00 baseline).

4.2 Participate with public sector agencies to complete one community-based integrated accommodation plan (IAP) each year for the next three years.

4.3 Maintain office vacancy rates at or below 1999/00 levels.

4.4 Reduce environmental risks and manage liabilities associated with contaminated properties.

4.5 Reduce environmental risks and hazards on properties by enhancing our pollution prevention program.

4.6 Maximize savings realized by our energy management program (baseline established by April 2001).

To achieve this objective, we will continue to represent the shareholder's interests in effectively managing the acquisition, disposition, portfolio planning, environmental management and asset performance of the real estate entrusted to us. In addition, we will effectively balance the provincial government's presence at the regional and community level through planning which reflects all community interests. More specifically, we will fully address the following strategies.

Strategies

4. **Strengthen our shareholder relationship to ensure we are responsive to their needs and priorities.**

   Our challenge is to support and respond to the government's initiatives and priorities, while providing our best advice to the government of the day, and without compromising our enduring purpose and values. Continuing to network with all levels of government, particularly at the senior management levels, is critical to our success.

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Goals

3.1 Increase the rating of "overall satisfaction" on the bi-annual employee satisfaction survey to 66% by March 31, 2003.

3.2 Implement the Corporation's new Performance Development Process in 100% of all work groups by March 31, 2003.

3.3 Increase rating to 85% by March 31, 2003 (benchmark and target to be established) for understanding of our Corporate Values and perception of practicing our values.

3.4 Increase the Corporation's performance on initiatives including wellness, multiculturalism, diversity, and providing employment opportunities for youth.

To achieve this objective, we will continue to focus on linking our business strategies with our people strategies.

Strategies

1. **Align team and individual performance and learning goals with our strategic objectives and core values through our performance development process.**

   In 1998/99, we designed and implemented the first phase of a new performance development process. This process continues to be implemented in a multi-phased approach; by 2003, it will be used by all employees.

2. **Recognize and reward contributions of teams and individuals in achieving our strategic objectives and living our values.**

   A strategic recognition framework has been developed and will, in conjunction with the performance development process, be fully implemented by 2003.

3. **Develop and implement human resource planning and recruitment strategies to ensure that the Corporation has an appropriately skilled and diverse workforce to support its business priorities.**

   Like the rest of the public sector, BCBC's aging workforce will result in increased retirements over the next three years and thereafter. This presents both an opportunity and a challenge for BCBC. We will work to ensure that we attract and retain employees with both the talent and diversity of perspective required to serve our customers and the communities they serve and to proactively respond to their changing world of work.

Strategies

4. **Increase BCBC leadership and management capabilities to foster effective teamwork, communication and change management across the Corporation.**

   The Corporation is experiencing tremendous change as it positions itself to serve an increasingly diverse customer group with unique pressures and requirements. Leadership and management skills are critical to bring together teams from across the organization to create innovative solutions to meet the needs of our growing and diverse customer base.

5. **Develop and/or acquire the critical competencies to support the achievement of our strategic objectives and encourage employee flexibility, innovation and continuous learning.**

   The Corporation has recently identified the knowledge, skills, and behaviours that contribute to successful job performance and business outcomes, support our core values, and respond to the changing needs of the organization. BCBC will align its training and development activities with the identified competencies and create innovative learning and development programs and opportunities to support both business and personal success.

Objective 4 Innovative Stewardship

Provide innovative stewardship of public real estate assets, while contributing to the economic, social and environmental sustainability of communities.

Goals

4.1 Increase the return on investment (ROI) for owned market-comparable properties (1999/00 baseline).

4.2 Participate with public sector agencies to complete one community-based integrated accommodation plan (IAP) each year for the next three years.

4.3 Maintain office vacancy rates at or below 1999/00 levels.

4.4 Reduce environmental risks and manage liabilities associated with contaminated properties.

4.5 Reduce environmental risks and hazards on properties by enhancing our pollution prevention program.

4.6 Maximize savings realized by our energy management program (baseline established by April 2001).

To achieve this objective, we will continue to represent the shareholder's interests in effectively managing the acquisition, disposition, portfolio planning, environmental management and asset performance of the real estate entrusted to us. In addition, we will effectively balance the provincial government's presence at the regional and community level through planning which reflects all community interests. More specifically, we will fully address the following strategies.

Strategies

1. **Ensure best solutions on behalf of the shareholder and/or our customers by developing specific concept and implementation plans to redevelop or sell the Jericho, Vancouver Island Technology Park, and Woodlands properties and to develop a residential-style prototype for Mental Health program delivery at Riverview.**

   These large-scale, comparatively under-developed properties are located in increasingly dense urban areas. There are significant economic, social and environmental pressures on the future utilization of each of these properties and their communities. Multiple sets of interests combine to make each a challenging redevelopment project. The Corporation is committed to ensuring that best solutions are achieved on behalf of the shareholder, our customers and the communities affected.

2. **Prevent pollution by implementing BCBC's ISO certified Environmental Management System.**

   BCBC is committed to mitigating adverse environmental impacts arising from the real estate entrusted to our care. Building on our 23-year energy management program, which has won international awards and saved BC taxpayers well over $100 million in energy costs, the Corporation obtained ISO certification for its Environmental Management System (EMS) in January 2001. Through our EMS, we have committed ourselves to targets for preventing pollution and minimizing the environmental impacts from our operations and properties. Our EMS also includes commitments to develop a greenhouse gas action plan, remediate contaminated sites, and operate and procure our buildings in accordance with the principles of sustainability.

3. **Provide leadership in Green Buildings design, construction, operation and deconstruction.**

   Green Buildings are high performance buildings from a number of perspectives:

   - for clients, they maximize functionality and foster productivity.
   - for owners, they cost much less to operate and offer enhanced marketability and asset value.
   - for the environment, they make highly efficient use of energy and other natural resources and generate minimal waste and greenhouse gases.
   - for the community, they minimize demands on the local infrastructure; they integrate with the local architecture and landscaping; and they create export opportunities as the expertise and technologies they require are potentially exportable products.

   BCBC will establish the Office of Green Buildings Technologies and Green Buildings Partnership to lead ministries, suppliers, clients, utilities and others in the building industry in accelerating the adoption of Green Buildings principles, practices and technologies. These initiatives will also position BCBC to play a significant role in leading government and industry towards achieving emissions reduction targets for buildings under the Kyoto Protocol.

4. **Increase awareness and understanding of sustainability issues.**

   The success of BCBC's Environmental Stewardship Plan will depend largely upon the level of awareness and understanding that is created within the Corporation, and upon our ability to communicate the value of this approach to clients and partners. To this end, we will initiate a process to introduce all staff to the principles of sustainability in order to strengthen the Corporation's capacity to help others integrate sustainable solutions into their buildings and operations.

Strategies

5. **Promote the single taxpayer concept to other government agencies to optimize the use of public sector accommodation and real estate assets.**

   We will focus on reducing costs by advancing opportunities for collocation, integration and recycling facilities. We will build on the accomplishments already realized working with independent agencies such as Public Works and Government Services Canada, the Department of National Defence, and the RCMP to achieve gains in overall efficiency and effectiveness.

6. **Develop and implement best-practice portfolio management plans that integrate the economic, social, and environmental interests and opportunities of regions and communities.**

   We currently conduct thorough analyses to rationalize the Corporation's real estate portfolio and make long-term accommodation recommendations by taking into consideration economic, social and environmental impacts. These considerations include public and private sector best practices, heritage conservation, emergency preparedness, barrier-free accessibility, regional strategic accommodation requirements and multi-agency use. Strategic portfolio plans for integrated accommodation in communities and in support of the provincial regional economic development zones will be implemented over the next three years.

Objective 5 Business Development

Extend our business where it improves the efficiency and effectiveness of the public sector.

Goals

5.1 Achieve new business revenue of $48 million[1] from existing and new public sector customers by March 31, 2003, where beneficial to the taxpayers of British Columbia.

5.2 Through benchmarking comparisons, demonstrate our competitive advantage by:

- **Setting prices and delivering all bundled core products and services below market by March 31, 2002; and**
- **Setting prices and delivering all stand-alone core products and services at market by March 31, 2002.**

Strategies

1. **Work with all levels of government to identify and develop value-added business opportunities in alignment with our Business Development Plan.**

   By continuing to develop strengths in areas such as Public/Private Partnerships (P3), Integrated Accommodation Planning (IAP) and cost-effective project delivery, we will develop bold and innovative solutions for government.

2. **Achieve our competitive advantage through defining and bundling our services.**

   We will price "bundled core services" below market for quality attributes that are defined by our customers and support government policy. Our low cost/best value position will be achieved through efficiencies in service delivery, standardization of our products and services, and economies of scale.

[1] The methodology for the performance measure related to this goal was finalized after publication of the 2000–03 Strategic Plan. In order to align the target to the methodology, the $20 million target has been increased to $48 million.

+1 +7

Strategies

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- Setting prices and delivering all stand-alone core products and services at market by March 31, 2002.

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1. **Work with all levels of government to identify and develop value-added business opportunities in alignment with our Business Development Plan.**

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[1] The methodology for the performance measure related to this goal was finalized after publication of the 2000–03 Strategic Plan. In order to align the target to the methodology, the $20 million target has been increased to $48 million.

Strategies

3. **Partner with ministries and central agencies to assist in the successful start-up of independent agencies.**

   Subject to a satisfactory impact analysis, BCBC will support, however it can, ministry business that shifts to the non-ministry segment.

4. **Develop and evolve our products and services to respond to emerging customer needs and market and economic conditions.**

   Business processes will be streamlined to maximize efficiencies, take advantage of technologies and be flexible and responsive enough to provide the desired outcome for our customers. We will design our products and services in response to customer research findings

Corporate Goals and Strategies 2003–2004

Based on the assumption that 2003–2004 is an extension of the 2000–2003 Plan, and also that BCBC continues with the major thrusts defined by the 2000–03 Plan, goals and strategies for 2003–2004 are detailed below:

Objective 1 Customer Success

Provide best value solutions and service delivery which contribute to our customers' success.

Goals

1. **Increase the survey rating of overall customer satisfaction.**
2. **Retain a minimum of 95% of all ministry and non-ministry business, net of government-directed program restructuring or cost reduction measures.**
3. **Achieve at least 90% of outcome commitments as stated in customer account plans.**
4. **Continue to achieve annual cost savings to customers through initiatives resulting from business expansion with ministries and/or other public sector agencies, and implementation of innovative solutions.**

Strategies

- Continue to implement the customer relationship management framework that focuses on improved responsiveness and flexibility (including account management, complaint management, customer research and communications).
- Support major government and customer priorities by identifying and pursuing opportunities where BCBC can assist in improving program delivery and reducing costs.
- Continue to improve the community service delivery model to better serve our customers.
- Develop integrated, innovative solutions and processes to contribute to customer effectiveness and/or reduce total costs.
- Continue to improve a comprehensive customer satisfaction measurement framework to continuously identify areas for improvement.

Objective 2 Strengthening Our Foundation

Continuously review and improve the BCBC model and the way we do business to optimize corporate performance.

Goals

1. Continue to conduct process reviews to reduce cost of operations and cycle time.
2. Meet internal targets for general and administrative costs based on external benchmark comparisons and BCBC business activity.
3. Maintain the ratio of area managed per employee at the 1999/00 level.
4. Ensure that operating and maintenance costs per square metre for owned buildings are comparable with or better than other jurisdictions and the private sector.
5. Meet contribution margin targets for each of our core services.

Strategies

- Review and improve our business practices, systems, and processes to enhance our competitiveness and better respond to customer, shareholder and employee needs.
- Link corporate, team and individual performance accountabilities to the needs of our customers and shareholder.
- Strengthen our shareholder relationship to ensure we are responsive to their needs and priorities.

Objective 3 High-Performance Culture

Foster a high-performance culture to ensure individual, team and corporate success.

Goals

1. Increase the rating of "overall satisfaction" on bi-annual employee satisfaction survey.
2. Continue to operate the Corporation's new Performance Development Process in all work groups.
3. Increase ratings for understanding for our Corporate Values and perception of practicing our values.
4. Increase the Corporation's performance on initiatives including wellness, multiculturalism, diversity, and providing employment opportunities for youth.

Strategies

- Align team and individual performance and learning goals with our strategic objectives and core values through our performance development process.
- Recognize and reward contributions of teams and individuals in achieving our strategic objectives and living our values.
- Continue to develop and implement human resource planning and recruitment strategies to ensure that the Corporation has an appropriately skilled and diverse workforce to support its business priorities.
- Increase BCBC leadership and management capabilities to foster effective teamwork, communication and change management across the Corporation.
- Develop and/or acquire the critical competencies to support the achievement of our strategic objectives and encourage employee flexibility, innovation and continuous learning.

Strategies

3. **Partner with ministries and central agencies to assist in the successful start-up of independent agencies.**

   Subject to a satisfactory impact analysis, BCBC will support, however it can, ministry business that shifts to the non-ministry segment.

4. **Develop and evolve our products and services to respond to emerging customer needs and market and economic conditions.**

   Business processes will be streamlined to maximize efficiencies, take advantage of technologies and be flexible and responsive enough to provide the desired outcome for our customers. We will design our products and services in response to customer research findings

Corporate Goals and Strategies 2003–2004

Based on the assumption that 2003–2004 is an extension of the 2000–2003 Plan, and also that BCBC continues with the major thrusts defined by the 2000–03 Plan, goals and strategies for 2003–2004 are detailed below:

Objective 1 Customer Success

Provide best value solutions and service delivery which contribute to our customers' success

Goals

1. Increase the survey rating of overall customer satisfaction.
2. Retain a minimum of 95% of all ministry and non-ministry business, net of government-directed program restructuring or cost reduction measures.
3. Achieve at least 90% of outcome commitments as stated in customer account plans.
4. Continue to achieve annual cost savings to customers through initiatives resulting from business expansion with ministries and/or other public sector agencies, and implementation of innovative solutions.

Strategies

- Continue to implement the customer relationship management framework that focuses on improved responsiveness and flexibility (including account management, complaint management, customer research and communications).
- Support major government and customer priorities by identifying and pursuing opportunities where BCBC can assist in improving program delivery and reducing costs.
- Continue to improve the community service delivery model to better serve our customers.
- Develop integrated, innovative solutions and processes to contribute to customer effectiveness and/or reduce total costs.
- Continue to improve a comprehensive customer satisfaction measurement framework to continuously identify areas for improvement.

Objective 2 Strengthening Our Foundation

Continuously review and improve the BCBC model and the way we do business to optimize corporate performance.

Goals

1. Continue to conduct process reviews to reduce cost of operations and cycle time.
2. Meet internal targets for general and administrative costs based on external benchmark comparisons and BCBC business activity.
3. Maintain the ratio of area managed per employee at the 1999/00 level.
4. Ensure that operating and maintenance costs per square metre for owned buildings are comparable with or better than other jurisdictions and the private sector.
5. Meet contribution margin targets for each of our core services.

Strategies

- Review and improve our business practices, systems, and processes to enhance our competitiveness and better respond to customer, shareholder and employee needs.
- Link corporate, team and individual performance accountabilities to the needs of our customers and shareholder.
- Strengthen our shareholder relationship to ensure we are responsive to their needs and priorities.

Objective 3 High-Performance Culture

Foster a high-performance culture to ensure individual, team and corporate success.

Goals

1. Increase the rating of "overall satisfaction" on bi-annual employee satisfaction survey.
2. Continue to operate the Corporation's new Performance Development Process in all work groups.
3. Increase ratings for understanding for our Corporate Values and perception of practicing our values.
4. Increase the Corporation's performance on initiatives including wellness, multiculturalism, diversity, and providing employment opportunities for youth.

Strategies

- Align team and individual performance and learning goals with our strategic objectives and core values through our performance development process.
- Recognize and reward contributions of teams and individuals in achieving our strategic objectives and living our values.
- Continue to develop and implement human resource planning and recruitment strategies to ensure that the Corporation has an appropriately skilled and diverse workforce to support its business priorities.
- Increase BCBC leadership and management capabilities to foster effective teamwork, communication and change management across the Corporation.
- Develop and/or acquire the critical competencies to support the achievement of our strategic objectives and encourage employee flexibility, innovation and continuous learning.

Objective 4 Innovative Stewardship

Provide innovative stewardship of public real estate assets, while contributing to the economic, social and environmental sustainability of communities.

Goals

1. Increase the return on investment (ROI) for owned market-comparable properties.
2. Participate with public sector agencies to complete one community-based integrated accommodation plan.
3. Maintain low office vacancy rates comparable to the market.
4. Reduce environmental risks and manage liabilities associated with contaminated properties.
5. Reduce environmental risks and hazards on properties by continuing to operate our enhanced pollution prevention (P2) program.
6. Maximize savings realized by our energy management program.

Strategies

- Ensure best solutions on behalf of the shareholder and/or our customers by developing specific concept and implementation plans to develop or resell key surplus properties.
- Prevent pollution by continuing to operate BCBC's ISO certified Environmental Management System.
- Provide leadership in Green Buildings design, construction, operation and deconstruction.
- Increase awareness and understanding of sustainability issues.
- Promote the single taxpayer concept to other government agencies to optimize the use of public sector accommodation and real estate assets.
- Continue to develop and implement best-practice portfolio management plans that integrate the economic, social, and environmental interests and opportunities of regions and communities.

Objective 5 Business Development

Extend our business where it improves the efficiency and effectiveness of the public sector.

Goals

1. Achieve new business revenue from existing and new public sector customers where beneficial to the taxpayers of British Columbia.
2. Through benchmarking comparisons, demonstrate our competitive advantage by:
   - Setting price and delivering all bundled core products and services below market.
   - Setting price and deliver all stand-alone core products and services at market.

Strategies

- Work with all levels of government to identify and develop value-added business opportunities in alignment with our Business Development Plan.
- Continue to demonstrate our competitive advantage through refining and bundling our services.
- Partner with ministries and central agencies to assist in the successful start-up of independent agencies.
- Develop and evolve our products and services to respond to emerging customer needs and market and economic conditions.

Performance Measures 2001–2002

As part of its 2000–03 Strategic Plan, BCBC has established three-year goals and targets for each of its five Strategic Objectives. For the purposes of performance tracking, each year these goals and targets are annualized and performance results are reported in the Annual Report. The 2001–02 performance measures and associated targets (or expected results) are presented here.

Objective 1 Customer Success

Provide best value solutions and service delivery which contribute to our customers' success.

Goal	Performance Measure	Target or Expected Results
• Increase customer satisfaction and improve customer responsiveness	• Satisfaction and responsiveness ratings on customer survey	• Increase satisfaction rating to 73% • Increase responsiveness rating (target set May 31, 2001)
• Retain ministry and non-ministry customers	• Rate of customer and revenue retention	• 95% retention rate
• Fulfill outcome commitments made with customers	• Percentage of outcome commitments fulfilled	• 90% outcome commitment fulfillment
• Achieve cost savings to customers through business expansion and innovation	• Annual cost savings to customers	• $1.4 million dollars

Objective 2 Strengthening Our Foundation

Continuously review and improve the BCBC model and the way we do business to optimize corporate performance.

Goal	Performance Measure	Target or Expected Results
• Perform core process reviews and reduce cost of operations and cycle time	• Core process reviews completed	• Complete one core process review
	• Core process review results relating to cost of operations and cycle time	• Reduce cost of operations and cycle time by at least 15%
• Minimize general and administrative costs	• General and administrative costs	• Achieve target set May 31, 2001
• Maintain ratio of area managed per employee at 1999/00 level	• Ratio of area managed per employee and per maintenance employee	• Maintain ratios at 1999/00 levels for all employees and maintenance employees
• Ensure that operations and maintenance costs for owned buildings are at comparable levels	• Operations and maintenance costs for owned buildings	• Achieve target set May 31, 2001
• Ensure that contribution margin levels for each of our core services are at acceptable levels	• Contribution margin for each core service	• Achieve target set July 31, 2001

Objective 4 Innovative Stewardship

Provide innovative stewardship of public real estate assets, while contributing to the economic, social and environmental sustainability of communities.

Goals

1. Increase the return on investment (ROI) for owned market-comparable properties.
2. Participate with public sector agencies to complete one community-based integrated accommodation plan.
3. Maintain low office vacancy rates comparable to the market.
4. Reduce environmental risks and manage liabilities associated with contaminated properties.
5. Reduce environmental risks and hazards on properties by continuing to operate our enhanced pollution prevention (P2) program.
6. Maximize savings realized by our energy management program.

Strategies

- Ensure best solutions on behalf of the shareholder and/or our customers by developing specific concept and implementation plans to develop or resell key surplus properties.
- Prevent pollution by continuing to operate BCBC's ISO certified Environmental Management System.
- Provide leadership in Green Buildings design, construction, operation and deconstruction.
- Increase awareness and understanding of sustainability issues.
- Promote the single taxpayer concept to other government agencies to optimize the use of public sector accommodation and real estate assets.
- Continue to develop and implement best-practice portfolio management plans that integrate the economic, social, and environmental interests and opportunities of regions and communities.

Objective 5 Business Development

Extend our business where it improves the efficiency and effectiveness of the public sector.

Goals

1. Achieve new business revenue from existing and new public sector customers where beneficial to the taxpayers of British Columbia.
2. Through benchmarking comparisons, demonstrate our competitive advantage by:
   - Setting price and delivering all bundled core products and services below market.
   - Setting price and deliver all stand-alone core products and services at market.

Strategies

- Work with all levels of government to identify and develop value-added business opportunities in alignment with our Business Development Plan.
- Continue to demonstrate our competitive advantage through refining and bundling our services.
- Partner with ministries and central agencies to assist in the successful start-up of independent agencies.
- Develop and evolve our products and services to respond to emerging customer needs and market and economic conditions.

Performance Measures 2001–2002

As part of its 2000–03 Strategic Plan, BCBC has established three-year goals and targets for each of its five Strategic Objectives. For the purposes of performance tracking, each year these goals and targets are annualized and performance results are reported in the Annual Report. The 2001–02 performance measures and associated targets (or expected results) are presented here.

Objective 1 Customer Success

Provide best value solutions and service delivery which contribute to our customers' success.

Goal	Performance Measure	Target or Expected Results
• Increase customer satisfaction and improve customer responsiveness	• Satisfaction and responsiveness ratings on customer survey	• Increase satisfaction rating to 73% • Increase responsiveness rating (target set May 31, 2001)
• Retain ministry and non-ministry customers	• Rate of customer and revenue retention	• 95% retention rate
• Fulfill outcome commitments made with customers	• Percentage of outcome commitments fulfilled	• 90% outcome commitment fulfillment
• Achieve cost savings to customers through business expansion and innovation	• Annual cost savings to customers	• $1.4 million dollars

Objective 2 Strengthening Our Foundation

Continuously review and improve the BCBC model and the way we do business to optimize corporate performance.

Goal	Performance Measure	Target or Expected Results
• Perform core process reviews and reduce cost of operations and cycle time	• Core process reviews completed	• Complete one core process review
	• Core process review results relating to cost of operations and cycle time	• Reduce cost of operations and cycle time by at least 15%
• Minimize general and administrative costs	• General and administrative costs	• Achieve target set May 31, 2001
• Maintain ratio of area managed per employee at 1999/00 level	• Ratio of area managed per employee and per maintenance employee	• Maintain ratios at 1999/00 levels for all employees and maintenance employees
• Ensure that operations and maintenance costs for owned buildings are at comparable levels	• Operations and maintenance costs for owned buildings	• Achieve target set May 31, 2001
• Ensure that contribution margin levels for each of our core services are at acceptable levels	• Contribution margin for each core service	• Achieve target set July 31, 2001

Objective 3 High-Performance Culture

Foster a high-performance culture to ensure individual, team and corporate success.

Goal	Performance Measure	Target or Expected Results
• Increase level of employee satisfaction	• Rating of overall satisfaction on employee survey	• No survey scheduled
• Implement the Corporation's new Performance Development Process	• Number of PDP Learning Plans and Year-end Reviews completed	• Complete implementation (355 additional employees)
• Improve understanding of our Corporate values, and perceptions of the extent to which these values are being practiced	• Survey ratings of: –understanding of values; and –perceptions of extent to which values are practiced	• Establish baseline and set target by March 31, 2002
• Increase the performance on initiatives including wellness, multiculturalism, diversity, and providing employment opportunities for youth	• Range of measures related to occupational health and safety (3), employment practices (3), employment equity (3), employee development (2) and youth employment (3)	• Increase performance on all measures

Objective 4 Innovative Stewardship

Provide innovative stewardship of public real estate assets, while contributing to the economic, social and environmental sustainability of communities.

Goal	Performance Measure	Target or Expected Results
• Increase return on investment (ROI) for owned market-comparable properties	• Return on investment (owned market-comparable properties)	• Achieve target set May 31, 2001
• Participate with public sector agencies to complete community-based integrated accommodation plans (IAPs)	• Community-based IAPs completed	• One IAP completed
• Maintain office vacancy rates at 1999/00 levels	• Office vacancy rates	• Maintain rates in 2% range
• Reduce risks and manage liabilities associated with contaminated sites	• Status of risk management/ remediation activities	• Increased risk management/ remediation activity
	• Estimated outstanding costs associated with remediating contaminated sites	• Improved understanding of outstanding liabilities
• Reduce environmental risks and hazards on properties by enhancing our pollution prevention (P2) program	• Percentage of P2 operating practices and infrastructure in place corporate wide	• Achieve 95% implementation
• Maximize energy savings realized by our energy management program	• Giga Joules of energy saved/year and millions of dollars saved/year	• Achieve target set May 31, 2001

Objective 5 Business Development

Extend our business where it improves the efficiency and effectiveness of the public sector.

Goal	Performance Measure	Target or Expected Results
• Achieve new business revenue from existing and new public sector customers (where beneficial to the taxpayers of British Columbia)	• New business revenue from existing and new public sector customers	• $15 million
• Set prices and deliver all: –bundled core products and services below market –stand-alone core products and services at market	• Prices for bundled core products and services • Prices for stand-alone core products and services	• Establish benchmarks and set targets by March 31, 2002

Financial Indicators

Performance Measure	Budget
Total revenue	$458,855,000
Revenue split ministry/non-ministry (expressed as % of total revenue)	75 (ministry):25 (non-ministry)
Total expenditure	$425,585,000
Net income	$39,238,000
Operating margin	16.1%
Gain/loss on property disposals	$5,968,000
Return on equity	13.9%
Return on investment (Corporate)	8.3%

Objective 3 High-Performance Culture

Foster a high-performance culture to ensure individual, team and corporate success.

Goal	Performance Measure	Target or Expected Results
• Increase level of employee satisfaction	• Rating of overall satisfaction on employee survey	• No survey scheduled
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• Participate with public sector agencies to complete community-based integrated accommodation plans (IAPs)	• Community-based IAPs completed	• One IAP completed
• Maintain office vacancy rates at 1999/00 levels	• Office vacancy rates	• Maintain rates in 2% range
• Reduce risks and manage liabilities associated with contaminated sites	• Status of risk management/ remediation activities	• Increased risk management/ remediation activity
	• Estimated outstanding costs associated with remediating contaminated sites	• Improved understanding of outstanding liabilities
• Reduce environmental risks and hazards on properties by enhancing our pollution prevention (P2) program	• Percentage of P2 operating practices and infrastructure in place corporate wide	• Achieve 95% implementation
• Maximize energy savings realized by our energy management program	• Giga Joules of energy saved/year and millions of dollars saved/year	• Achieve target set May 31, 2001

Objective 5 Business Development

Extend our business where it improves the efficiency and effectiveness of the public sector

Goal	Performance Measure	Target or Expected Results
• Achieve new business revenue from existing and new public sector customers (where beneficial to the taxpayers of British Columbia)	• New business revenue from existing and new public sector customers	• $15 million
• Set prices and deliver all: –bundled core products and services below market –stand-alone core products and services at market	• Prices for bundled core products and services • Prices for stand-alone core products and services	• Establish benchmarks and set targets by March 31, 2002

Financial Indicators

Performance Measure	Budget
Total revenue	$458,855,000
Revenue split ministry/non-ministry (expressed as % of total revenue)	75 (ministry):25 (non-ministry)
Total expenditure	$425,585,000
Net income	$39,238,000
Operating margin	16.1%
Gain/loss on property disposals	$5,968,000
Return on equity	13.9%
Return on investment (Corporate)	8.3%

Corporate Profile

The British Columbia Buildings Corporation (BCBC) was established in 1977 to provide real estate and accommodation services to the provincial government. We are a highly decentralized Crown corporation with a province-wide network of employees strategically located in eight districts, which include over 60 service centres and satellite offices; our head office is located in Victoria. BCBC's portfolio of owned, leased, and maintained properties extends throughout almost 300 communities across the province.

Services and Products

We offer a full range of accommodation planning, implementation and management services and operate as a one-stop, full-service provider for our customers. In delivering our services, we are supported by more than 7,000 local contractors, landlords and professional firms. The full service package includes the following services.

Real estate services — We provide real estate analysis and research, real property appraisals, acquisitions and disposals, zoning, land use planning and property redevelopment.

Accommodation planning services — We manage the design of buildings and offer solutions that best serve our customers' needs and result in cost-effective and functional workplaces. We do strategic accommodation planning, master facilities planning, customized studies and architectural programming.

Project management services — We provide comprehensive project management for major construction projects including: design review, value analysis, consultant selection, tendering, on-site management, reporting, accounting, commissioning and move-in.

Leasing management services — We obtain space from the private sector and negotiate leases with the landlords from a tenant advocacy perspective to ensure our customers' requirements are incorporated into all leases. As well, we manage the leases during their respective terms.

Property management services — We provide a broad range of operations and maintenance services including cleaning, grounds, interior and exterior building maintenance, security, and electrical and utility systems.

Energy and environmental management services — We provide financially and environmentally sustainable public sector accommodation in British Columbia through leadership in programs and management systems designed to prevent pollution, meet all regulatory requirements, and continually improve environmental practices.

Asset and portfolio management services — We prudently manage the portfolio entrusted to us and provide asset management services related to the portfolio. We provide independent analysis and advice on local markets throughout the province to support long-term portfolio decisions. We prepare strategic accommodation plans which outline the long-range space requirements of the provincial government by region and, where possible, we incorporate the accommodation needs of other public sector agencies into these regional plans in order to develop more integrated and cost-effective solutions.

Markets and Customers

BCBC is the largest, fully integrated owner and manager of real estate and accommodations in British Columbia. We own a portfolio of over 1.3 million square metres, maintain 406,000 square metres, and lease over 702,000 square metres. Forty-five percent of our owned portfolio is located in the Lower Mainland, 21% is in Greater Victoria, and the remaining 34% is distributed throughout the rest of the province.

Our primary customers are the provincial ministries which, in 1999/00, represented almost 75% of our revenues. Other public sector customers, such as health authorities, colleges, school boards, Crown corporations, and municipal and federal governments make up the balance. Our three largest customers are the Ministry of Attorney General, Ministry for Children and Families, and Ministry of Forests which, combined, account for 46% of our revenues. Over the years, our market has evolved from being almost completely provincial ministry-based, to having 25% of our business generated primarily from other public sector customers, and we expect this portion to increase in the future.

Financial Performance

In 1999/00, BCBC reported revenues of $464 million, expenses of $419 million and a net income of $45 million. Over the last three years, the Corporation's financial performance has been solid, with its operating margin averaging 20.4% and the net income increasing from 8.9% to 9.7% of revenue.

Disposals of surplus properties have generated proceeds of $54 million in the last three years. During the same time period, the total area managed by BCBC increased by 40,351 square metres to 2,355,671 square metres, while the average area managed per staff member decreased by 5%.

Total equity at March 31, 2000, was $271 million. The return on equity in the past three years has averaged 17.0%. In the last three years, the Corporation has paid $93 million in dividends to the province and, since inception, BCBC has generated over $318 million in dividend payments.

BCBC's three-year strategic objective of achieving $30 million in cost savings/cost avoidances for government was surpassed; as savings/avoidances of over $40 million were achieved.

Furthermore, over the past four years the Building Occupancy Charges (BOCs) for ministries have been contained and in fact reduced significantly from 1997/98 levels. Ministry BOC's were rising significantly through the 1990s, reaching almost $400 million in 1997/98. Since then the BOCs have been dropping dramatically and are currently $344 million. This has been accomplished mainly through downsizing of government, and implementation of cost saving/cost avoidance initiatives by BCBC.

Corporate and Environmental Assessment

Governance

Governance models for public sector agencies have changed significantly over the past decade. The changes have been driven by increasing demand for and expectations of government services and public participation, significant structural changes to sectors of the economy, and globalization. New governance models, in turn, are driving other changes. Ministries are required to obtain their accommodation services from the Corporation. However, as governance models evolve, newly formed independent provincial agencies are being released from the requirement to use BCBC services.

The challenge for BCBC is to maintain its existing public sector customers and meet their needs as governance models evolve. We believe we can contribute to their success by providing our expertise in the management, planning and delivery of work environments. While we have adapted to decreasing budgets and lower employment levels in the provincial government, the need for contemporary accommodation strategies to address the ever-growing demand for public sector services requires our constant attention. New services require new means of delivery that increasingly require the integration of services, facilities and networks of providers.

The evolution of governance models is especially apparent in the health sector, which has undergone a revolution over the past 10 years. It is a complex sector with multiple layers of interdependencies, and is highly sensitive to small changes in the economy. The health sector is also sensitive to our changing social values. For example, patients are demanding and are entitled to increased involvement in choices and decisions regarding their use of health care services. An increasingly participative health care system has implications for health care providers with respect to direct patient services as well as implications for service delivery and facilities and infrastructure planning. Long-range planning in such an environment is crucial. Indeed, a strong but flexible planning approach is critical, and BCBC has much to offer the Ministry of Health and health authorities in terms of facilities planning, design management, and public consultation processes. The evolution of the governance model for health service providers from Ministry-funded agencies to autonomous agencies has not diminished the need for our expertise. The growing and aging population and aging infrastructure all increase the need for appropriate facilities and contemporary workplace solutions.

Socio-Economic

Source: BC Stats

After a decade of steady growth, British Columbia has recently experienced a considerable slowdown in population expansion. British Columbia is now the third fastest growing province in Canada behind Ontario and Alberta despite an outflow of migrants to the rest of Canada.

The age structure of British Columbia is shaped mainly by the postwar baby boom resulting in a bulge in the population of the 25- to 54-year age group. Over 45% of the population is in this group and the median age in 1999 was 37 years. Population-driven services such as education, health care and social services currently consume $16.9 billion, or 80% of the provincial budget annually. Health services alone account for one-third of the government's total expenditure. As the population ages, it will place increasing demands on these services.

The pattern of population growth in British Columbia has shifted away from urban centres to rural communities. There is growing evidence that tourism and technology-based industries are countering the effects of the declining resource sectors.

Economy

Source: Ministry of Finance and Corporate Relations: British Columbia Economic Review and Outlook, September 1999

The province's economic performance in 1999 has exceeded expectations. However, we are one of the few provinces in Canada still maintaining a deficit. British Columbia's public sector employment rate has remained below the national average in every year since 1981, and has been the lowest in Canada for most of that time. However, reflecting the priorities of the government, British Columbia is the only province where the number of health care and education workers in the public sector has essentially kept pace with population growth since the beginning of the decade. British Columbia will face significant challenges as it endeavours to manage the deficit at a time when other provincial governments are entering a period of restructured and deficit-free public administration.

Government and Finance

Source: Budget Process Review Panel Summary Report (Enns Report)

Government's Budget Process Review Panel (1995) completed its investigation and produced the Enns report, with 26 recommendations. The Panel recommended that government collapse two accounting entities into one summary entity to ensure the public is presented with a single picture of the bottom line. BCBC and all Crown corporations will be required to present their financial information in a manner more consistent with that of government ministries. In July 2000, the *Budget Transparency and Accountability Act* (BTAA) was passed. This Act stipulates that effective 2001/02 fiscal year, performance plans and performance reports for government organizations be made public by the Minister responsible annually. BCBC's Annual Plan and Annual Report provide a comprehensive account of the Corporation's financial performance and activity as related to the Strategic Plan. The BTAA will primarily affect the presentation of information.

BCBC, in conjunction with the government, is considering various dividend policy options. Taken in combination with the recommendations of the Budget Process Review Panel, particularly those regarding the accounting entities, our dividend requirements and related strategies may change.

Stewardship

Through effective stewardship of over $1 billion in real estate assets, the British Columbia Buildings Corporation recognizes and fulfills its legal and moral responsibilities to existing and future generations. The Corporation's real estate portfolio is carefully managed to ensure constant and effective portfolio performance through the prudent acquisition and disposal of properties. Although severely constrained capital precludes acquisitions in the current fiscal

climate, low-performing properties have been identified for disposal and the portfolio continues to generate market-comparable returns.

As a closely held Crown corporation, BCBC is governed by policies of the government and contributes to the sustainability and quality of community life in British Columbia. Although our contribution to the sustainability of communities throughout British Columbia is tempered by the service delivery requirements of our ministry customers and agencies and the reality of market economics, there are opportunities that we are uniquely positioned to fulfill. We are positioned between the public and private sectors to ensure market efficiencies and public policy values are applied in our resource management decisions. BCBC advocates community-based portfolio management through community-based planning to ensure that the emerging needs of the community, the general public and other levels of government in these communities, as well as environmental requirements, are addressed. BCBC is also leading the Green Buildings BC Retrofit and New Buildings Programs on behalf of the provincial government. Through these programs BCBC is playing a leadership role in helping to conserve energy and water, and reduce greenhouse emissions and waste generation associated with new and existing provincially-funded buildings throughout the province.

Through careful environmental management of our assets and associated business practices, as well as those of our customers, we will meet the challenges of our innovative stewardship objective. Society in general, business, and communities recognize the need to employ sound business and management practices to ensure the sustainability of communities, the environment and individual well being. Building on our recognized accomplishments in energy conservation, we are now poised to lead government and industry in achieving emissions reduction targets for public sector buildings as set out in the Kyoto Protocol. In addition, we received ISO 14001 certification in January 2001. Financially sustainable environmental leadership is our goal within the term of this Strategic Plan.

Human Resources

In today's rapidly changing environment, people leadership is seen as a key element in creating and sustaining a high-performing organization. In this Strategic Plan, our human resources strategies continue to be aligned with our business strategies and vision. Integrating human resources strategies and organizational performance is a major objective of the Strategic Plan.

BCBC will achieve this Strategic Plan through its employees; however, the Corporation's workforce is aging. The average age of a BCBC employee is approximately 46.5 years, which is almost a decade older than the provincial average. Within the next five years, over 15% of our employees will be eligible for retirement and, in the next 10 years, between 30 and 35% of our employees will retire. Innovative recruiting strategies that ensure adequate mentoring and knowledge transfer will help the Corporation to minimize the significant loss of knowledge, experience and expertise that accompanies the retirement of long-term employees.

Furthermore, continuing pressure on the province's public sector budgets may limit salary increases, particularly in the higher job categories where salary compression is already significant. Recruiting and retaining highly skilled employees will become more challenging if public sector salaries fall well behind comparable jobs in the private sector. There are currently significant shortages of qualified people in information technology, a function which is becoming increasingly integrated with building technologies and systems. BCBC will also be challenged to attract and retain staff in job categories that are not typically within the public sector such as project management, sales and marketing, and leasing. These challenges highlight the need for innovative recruitment and retention strategies that will facilitate the ongoing renewal of the Corporation.

The Corporation is also challenged by the rapidity with which technology and business practices are changing our work and the way in which we do our work. We must keep pace with change and anticipate our customers' emerging needs. Our new Performance Development Process (PDP) is designed to align employee performance goals, learning plans and employee recognition with the Corporation's strategic objectives. To meet the exciting challenges posed by constant change, we will need a corporate workforce that is informed, involved, and fully committed to providing value to our customers and the shareholder.

Technology

Technology-driven change is likely to increasingly impact several aspects of BCBC: its customers, the public, its employees and its suppliers. First, technology is changing the way public services are delivered to citizens. For example, increasing numbers of government services can currently be accessed from the home via the telephone and the Internet. A growing demand for services, continued pressure on budgets and increasing requirement for information combine to make technology-based solutions an effective and efficient means to meeting the needs of citizens. New service delivery methods being introduced by our customers may require more technological solutions such as wireless and Internet-based services. These new service delivery approaches are not likely to have a corresponding demand for buildings and physical workplaces, which are BCBC's traditional domain of services. BCBC's customers will increasingly need to integrate their services with other agencies in the broader public sector as technology provides the means and citizens demand the access to integrated government services. In turn, we will need to develop partnerships with our customers in all levels of government in order to optimize the use, value and efficiency of publicly owned buildings. At the same time, we will need to develop partnerships with a variety of technology and communications providers in both the private and public sectors to meet the changing needs of our customers.

Another way in which BCBC will be impacted is through the revitalization of our systems and processes and connections to our supplier and customer communities. Our employees will need to increase their competencies with respect to electronic communications. As BCBC becomes more customer focused, it will need faster and more accurate internal and external communications. As individuals become more adept with Internet technology, employees and customers will increase their demand for and use of intranet and extranet services. Although the impact of new developments in wireless and cable telecommunications services is unclear, there is little doubt that there will continue to be a proliferation of technology-based products and services available for use in the workplace. BCBC is poised, as a knowledgeable service provider, between the public and private sectors. We are uniquely positioned, based on our expertise in integrated accommodation planning and project management, to manage the integration of technology infrastructure into facility-based public services.

It is clear that the wide range of new and emerging technologies will have an accelerating impact on all aspects of our business. We will have to monitor technological developments closely and maintain alliances with the appropriate government agencies and private sector suppliers to ensure we are prepared to embrace new concepts that support the achievement of our business objectives and our customers' success.

Environmental Policy[1]

Preamble

BCBC's environmental policy supports the Corporation's strategic initiative of Innovative Stewardship by incorporating many of the principles of sustainability articulated by the Natural Step and integrated environmental management into its core business areas. The full implementation of BCBC's environmental policy will benefit:

- the people of British Columbia by lowering their exposure to environmental risk and liability through the effective management of hazardous substances;
- customers and tenants through lower material, energy and operating costs; and
- the environment through the efficient and sustainable use of materials and energy.

BCBC's proactive approach to environmental issues is intended to benefit the environment that we live in and demonstrate that environmental stewardship can be profitable.

BCBC's Environmental Policy

BCBC is committed to providing profitable and environmentally sustainable public sector accommodation in British Columbia through proactive leadership, efficient management systems and effective environmental programs designed to:

- promote pollution prevention;
- meet all regulatory requirements; and
- continually improve environmental practices in all aspects of our business.

The staff of BCBC will:

- form partnerships and alliances with customers, tenants and vendors to develop and implement sustainable products, services and activities;
- choose business practices which consider the full financial and environmental implications;
- establish an environmental management system that:
  - creates a learning organization with respect to BCBC's environmental impacts;
  - sets clear objectives and targets and monitors progress towards sustainability; and
  - reports and communicates openly to staff and stakeholders on BCBC's progress on environmental performance and sustainability.
- reduce our dependency on natural and unnatural substances that accumulate or persist in the environment; and
- use energy and resources efficiently to ensure the future sustainability of our society.

Glossary of Terms

Stewardship As stewards, we preserve and enhance the assets and resources that have been entrusted to us by future generations.

Sustainability Sustainability is responsible stewardship of our natural, human and financial resources so that we can continue in business indefinitely without compromising the environmental, social or economic systems within which we operate.

[1] The International Organization for Standardization (ISO), in its ISO 14001 environmental specification, defines an environmental policy as "A statement by the organization of its intentions and principles in relation to its overall environmental performance which provides a framework for action and for the setting of its environmental objectives and targets."